

RESOLUTION NO. 74805

A RESOLUTION OF THE COUNCIL OF THE CITY OF SAN JOSE ACCEPTING THE SUMMARY COSTS AND FINDINGS OF THE AMENDED 33433 SUMMARY REPORT AND THE ESTIMATED RE-USE VALUATION AND MAKING CERTAIN FINDINGS PURSUANT TO THE CALIFORNIA HEALTH AND SAFETY CODE SECTION 33433 FOR THE DEVELOPMENT OF BLOCK 3, INCLUDING ADDITIONAL AGENCY ASSISTANCE FOR IMPROVEMENTS TO THE GROUND FLOOR COMMERCIAL SPACE AND THE PUBLIC GARAGE OF BLOCK 3, PHASE I – THE 88

WHEREAS, the Redevelopment Agency of the City of San Jose ("Agency") is presently engaged in redevelopment activities in the San Antonio Plaza Redevelopment Project Area ("Project Area"); and

WHEREAS, on December 10, 2002, the Agency Board approved a Disposition and Development Agreement ("DDA") with CIM Urban Real Estate Fund, L.P. ("CIM") for the Downtown Mixed Use Project, which included the development of the Block 3 parking lot. All rights relating to the Block 3 parking lot were subsequently assigned to Block 3 Development Partners, LLC ("Developer"); and

WHEREAS, the Block 3 parking lot was divided into two separate projects to accommodate a two phased development: Phase I (The 88) along San Fernando Street, together with a new private street named Central Place, and Phase II, currently the surface parking lot south of The 88; and

WHEREAS, the proposed Amended and Restated DDA would provide for additional Agency assistance for a grocery store tenant in The 88 and address payment of prevailing wage obligations and relocation of utility cabinets ("Project"); and

WHEREAS, Community Redevelopment Law provides in Section 33433 that (1) before any property acquired, in whole or in part, with tax increment monies is sold or leased for development pursuant to a redevelopment plan, such sale or lease shall first be approved by the City Council, after a duly noticed public hearing of the City Council, and (2) the Agency shall make available for public inspection a copy of the proposed sale or lease and a summary which describes the financial aspects of the transaction; and

WHEREAS, an Amended Summary Report has been prepared pursuant to Health & Safety Code Section 33433, containing a summary of the key terms of the Project, costs, and other information required by Section 33433, and said report and copies of the proposed Amended and Restated DDA were made available to the public for inspection prior to the hearing, as required by Community Redevelopment Law; and

WHEREAS, the Section 33433 Summary Report concludes that the consideration for the Property is not less than the fair reuse value at its highest and best use; and

WHEREAS, the proposed development of the Site will assist in the elimination of blight by attracting residents Downtown, increasing employment during construction and thereafter, and increasing the real property tax base for the City of San Jose and is consistent with the goal of the Five Year Implementation Plan to eliminate conditions that negatively impact economic development of the community; and

WHEREAS, notice of a joint public hearing by the City Council and the Agency Board on the proposed Amended and Restated DDA has been duly published in accordance with the Community Redevelopment Law; and

WHEREAS, the joint public hearing of the Agency Board and the City Council was held on February 24, 2009;

NOW, THEREFORE, BE IT RESOLVED BY THE COUNCIL OF THE CITY OF SAN JOSE THAT:

1. The summary of costs and the findings of the Amended Summary Report pursuant to California Health and Safety Code Section 33433 are accepted; and

2. The consideration that the Agency will receive for the property is not less than the fair reuse value for the proposed use, with the covenants and conditions and development costs authorized by the Amended and Restated Disposition and Development Agreement; and

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3. The project will assist in the elimination of blight and is consistent with the Agency's Implementation Plan for the San Antonio Plaza Redevelopment Project Area.

ADOPTED this 24TH day of February, 2009, by the following vote:

AYES: CAMPOS, CHU, HERRERA, KALRA, LICCARDO,
NGUYEN, OLIVERIO, PYLE, REED.

NOES: NONE.

ABSENT: CHIRCO, CONSTANT.

DISQUALIFIED: NONE.

CHUCK REED
Mayor

ATTEST:

LEE PRICE, MMC
City Clerk